



**New York City Transit Authority**

**Annual Report**

**1967-1968**



# New York City Transit Authority

## Annual Report 1967-1968

William J. Ronan  
Chairman  
Leonard Braun  
William L. Butcher  
Donald H. Elliott  
Harold L. Fisher  
Bruce A. Gimbel  
Eben W. Pyne  
William A. Shea  
Walter N. Thayer

*Submitted to:*

THE HON. NELSON A. ROCKEFELLER  
*Governor*

THE HON. ARTHUR LEVITT  
*Comptroller*

THE HON. WARREN M. ANDERSON  
*Chairman, Senate Finance Committee*

THE HON. HARVEY M. LIFSET  
*Chairman, Assembly Ways and Means Committee*  
OF THE STATE OF NEW YORK

THE HON. JOHN V. LINDSAY  
*Mayor*

THE HON. MARIO A. PROCACCINO  
*Comptroller*

THE HON. FRANK D. O'CONNOR  
*President of the Council*

THE HON. PERCY E. SUTTON  
*President of the Borough of Manhattan*

THE HON. HERMAN BADILLO  
*President of the Borough of the Bronx*

THE HON. ABE STARK  
*President of the Borough of Brooklyn*

THE HON. MARIO J. CARIELLO  
*President of the Borough of Queens*

THE HON. ROBERT T. CONNOR  
*President of the Borough of Richmond*  
OF THE CITY OF NEW YORK

*In accordance with Sections 1213  
and 2500 of the Public Authorities Law*

The Authority meets, left to right,  
top: William A. Shea, Eben W. Pyne,  
Donald H. Elliott, Leonard Braun;  
center: Walter L. Schlager Jr.,  
Executive Officer, Operations and  
Maintenance, Daniel T. Scannell,  
Executive Officer, Construction  
Administration, Sidney Brandes,  
General Counsel, Chairman Ronan;  
bottom: Harold L. Fisher, Walter N.  
Thayer, Bruce A. Gimbel and  
William L. Butcher.

**F**or the New York City Transit Authority, the 1967-68 fiscal year was one of transition. On March 1, 1968, the Authority became a constituent agency of the Metropolitan Transportation Authority. The Metropolitan Authority was given responsibility under state legislation for setting policy and developing mass transportation facilities in the New York State portion of the metropolitan area.

**T**he M.T.A. and the Transit Authority moved swiftly to advance a program of transit improvements that would take advantage of \$2.5 billion in special borrowing for transportation that was authorized by the voters of the state in November, 1967. On June 5, 1968, the M.T.A. submitted to the New York City Board of Estimate and Mayor Lindsay a \$957 million package of subway and commuter rail additions. On Sept. 20 the Board of Estimate approved the construction of 12 new routes or additions at a cost of \$1.3 billion at the current level of costs.

- These included a Second Avenue subway from the area of the Battery up to the Bronx, a crosstown line in the vicinity of 48th Street, connections to the new tunnel under the East River at 63rd Street in Manhattan and Queens, a new express track on the Queens Boulevard line, other extensions in outlying parts of Queens and Brooklyn not now served by rapid transit, relocation of the Canarsie line in Brooklyn and a new line in the Bronx to replace the Third Avenue Elevated.

**T**he year was highlighted by other events:

- On March 1, 1968, William J. Ronan became chairman and chief executive officer of the Authority. Serving with him as members of the Authority were Leonard Braun, William L. Butcher, Donald H. Elliott, Harold L. Fisher, Bruce A. Gimbel, Eben W. Pyne, William A. Shea and Walter N. Thayer.

- At the same time, John J. Gilhooley and Daniel T. Scannell, former members of the Authority, became respectively Executive Officer for Labor Relations and Personnel and Executive Officer for Construction Administration. Walter L. Schlager Jr., former General Manager, became Executive Officer for Operations and Maintenance. The new post of Executive Officer, Controller, was not filled during the fiscal year.



Chairman Ronan discusses new car design with his two assistants at left, Edward M. Kresky and William Lassow, at plant of St. Louis Car Division of General Steel Industries.



A goal envisioned as long ago as 1940 was achieved in November, 1967, when the BMT and IND divisions were unified at Chrystie Street in Manhattan, permitting the operation of joint services. In addition to the Chrystie Street connection, new facilities placed in operation at this time included a new station at Grand Street and new deep-bore express tracks under the Avenue of the Americas (Sixth Avenue) between the West 4th Street and 34th Street stations. These events were considered to be one of the most important in rapid transit service since the opening of the IND division in 1932.

- Introduction of a color-coding system to identify rapid transit services coincided with the merger of the BMT and IND through Chrystie Street. The largely educational task of gradually discontinuing the BMT, IND and IRT divisional identifications was begun. A new eight-color schematic map of train services was published and two million



pocket-size copies were distributed to the public at station change booths and by mail.

- A new signage system, designed to better guide travelers to their destinations at 484 subway stations, was developed in consultation with Unimark International, graphic arts specialists. By the end of the fiscal year, 3,000 new signs had been installed at 100 stations and old ones removed to reduce visual clutter. Headway was being made also in installing new color-coded signs in subway cars.

- Nearly 200 of 800 new high-acceleration, stainless steel cars ordered from the manufacturer were delivered. The cars were financed with the funds in the City capital budget and from Federal sources which paid for 200. Of the 800 cars scheduled to be delivered by mid-1969, 600 will be air-conditioned.

- The \$13 million new station and trackage at 57th Street and Avenue



The first of the latest series of rapid transit cars, the R-42, as delivered following design decisions. The cars feature air-conditioning, advanced styling and improved signs.



Dispatcher Bernard Huat at radio console of two-way radio system that links Surface Division headquarters with all buses.



of the Americas, which went into service on June 30, completed the program of making the Avenue of the Americas route a four-track line. The station is the most advanced in design so far of subway stations in New York City and features wide use of stainless steel, glass, polished stone and brilliant fluorescent lighting.

- A \$1.3 million station was added to the system at 148th Street Lenox Terminal to serve a growing residential area. Construction of the station was allied with use of air rights over an adjoining train storage yard which enabled the Board of Education to build two schools on the site for elementary and junior high school students.

**E**leven construction contracts totalling \$27.3 million were in progress during the year as part of the Authority's station-lengthening program to permit operation of 10-car trains on the BMT and IRT. Completion of this long project will add some 20 per cent to the passenger capacity of these lines.

- A \$6 million two-way radio system on the Surface Division went on the air in May. All 4,285 buses operated by the Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority, are equipped for immediate radio contact between them and their headquarters. The system also features public address systems for communication between bus drivers and passengers. The system is expected to be an aid in deterring crime and in regulating the flow of buses, particularly when traffic is delayed by fires and other emergencies.

- Express bus service between Staten Island and Manhattan was started in December, 1968, on a test basis using the Verrazano-Narrows Bridge, the Gowanus Expressway and the Brooklyn-Battery Tunnel. Brand new air-conditioned coaches with soft upholstered forward-facing seats were used to provide the rush-hour service.

- The rapid transit and surface divisions achieved exceptional safety records, improving past safety performances already rated superior by industrywide standards. Both divisions turned in passenger accident frequency ratings marking the second lowest level recorded by the Safety Bureau in 22 years. The rapid transit passenger accident frequency rate showed an 8 per cent decrease. The surface division rate declined 10 per cent.

Mezzanine of new station at 57th Street and Avenue of the Americas that features wide use of stainless steel, glass, terrazzo, and fluorescent lighting.

**A** two-year agreement, whose cost was estimated at \$59 million, was negotiated effective Jan. 1, 1968 with unions representing hourly operating employees. The agreement provided for an immediate 5 per cent wage increase, and 6 per cent effective July 1, 1969. Also included were a wide range of improvements in pension, welfare benefits and working conditions. Among them also was a 20-year retirement plan providing, in general, one-half pay at age 50.

- Training, upgrading and recruitment programs were intensified to replace a generation of hard-to-duplicate skilled employees now going into retirement and to provide new personnel for an expanding transportation system. The number of employees who plan to retire in the coming year was estimated at 3,336, about four times the average in the two preceding years.

- A Travel Information Center was established at T.A. headquarters to provide a round-the-clock service seven days a week to passengers seeking travel assistance. The center began operation in November, 1967. Within months because of the flow of calls the staff was doubled to 42 trained information specialists who handle approximately 90,000 telephone inquiries a month.



# NEW YORK CITY TRANSIT AUTHORITY

## Statement of Results of Operation for Fiscal Year Ended June 30, 1968

Revenues:	TOTAL	RAPID TRANSIT	SURFACE
Passenger Revenue .....	\$330,226,553	\$254,249,926	\$ 75,976,627
School Fare Program Revenue from City .....	26,861,109	11,498,907	15,362,202
Total Passenger Revenue .....	\$357,087,662	\$265,748,833	\$ 91,338,829
Advertising .....	4,272,209	3,500,446	771,763
Station Concessions .....	2,694,901	2,694,901	—
Interest Income .....	328,544	245,195	83,349
Rentals and Miscellaneous .....	789,591	735,687	53,904
Total Revenues .....	\$365,172,907	\$272,925,062	\$ 92,247,845
Expenses:			
Salaries and Wages .....	\$333,944,473	\$257,900,007	\$ 76,044,466
Pension Cost — City Retirement System .....	35,318,887	28,510,183	6,808,704
Social Security — Employer's Share .....	11,137,581	8,601,168	2,536,413
Health and Welfare Benefits .....	11,681,695	9,219,941	2,461,754
Power Purchased .....	31,195,715	30,739,874	455,841
Fuel for Buses .....	1,945,391	—	1,945,391
Material and Supplies .....	18,798,472	15,314,889	3,483,583
Rentals of Tires, Trucks and Other Equipment .....	2,304,399	1,521,552	782,847
Provision for Public Liability .....	4,250,000	2,500,000	1,750,000
Provision for Workmen's Compensation .....	1,000,000	772,821	227,179
Maintenance by Outside Parties .....	3,357,087	2,963,317	393,770
Miscellaneous .....	3,386,336	2,480,429	905,907
Credit from City for Transit Police Services .....	(42,162,064)	(42,162,064)	—
Total Expenses .....	\$416,157,972	\$318,362,117	\$ 97,795,855
Net Income (Loss) Before Adjustments .....	(\$ 50,985,065)	(\$ 45,437,055)	(\$ 5,548,010)
Extraordinary Credits (a) .....	6,925,117	5,089,001	1,836,116
Net Income (Loss) After Adjustments .....	(\$ 44,059,948)	(\$ 40,348,054)	(\$ 3,711,894)

(a) Reduction of Authority's Pension Costs of \$4,027,564 for prior years and for Reimbursement from the City of \$2,897,553 for Transportation of police, firemen, etc., for 12 months ended December 31, 1967.

Revenue Car and Bus Miles .....	393,573,810	327,711,651	65,862,159
Revenues per Car and Bus Mile .....	92.78¢	83.28¢	140.06¢
Expenses per Car and Bus Mile .....	105.74¢	97.15¢	148.49¢
Revenue Passengers .....	1,738,372,297	1,303,465,841	434,906,456
Average Rate of Fare .....	20.19¢	20.19¢	20.19¢
Revenue per Revenue Passenger .....	21.01¢	20.94¢	21.21¢
Expenses per Revenue Passenger .....	23.94¢	24.42¢	22.49¢
Number of Employees: .....	38,056		
Hourly Rated .....	29,654		
Annually Rated .....	8,402		

# NEW YORK CITY TRANSIT AUTHORITY

## Statement of Assets and Liabilities at June 30, 1968

### Assets

#### Current assets:

Cash		\$ 11,784,529
Investment in U. S. Treasury Bills (at cost)		2,197,531
Accounts receivable and unbilled charges:		
Accounts receivable:		
City of New York	\$21,273,827	
Others	1,350,866	
Capital expenditures and other charges to be billed to City of New York and others	<u>2,209,609</u>	
	24,834,302	
Less: Reserve for unreimbursed capital expenditures and other receivables	<u>202,000</u>	
		24,632,302
Accrued interest receivable		133,758
Prepaid expenses and other assets		<u>1,888,897</u>
Total current assets		40,637,017

#### Other assets:

Accounts receivable due after one year:		
City of New York	7,745,434	
Others	<u>102,819</u>	
Total other assets		7,848,253
Materials and supplies, at average cost	20,755,907	
Less: Allowance for inventory adjustments	<u>653,000</u>	
		20,102,907
Deferred charges		143,946

#### Assets from funds derived from long term debt:

Rapid transit passenger cars	70,270,111	
Unexpended proceeds from long term debt	6,935,084	
Debt retirement fund with trustee	1,973,333	
Unamortized bond expenses	93,421	
Unamortized debt on cars sold to City of New York	<u>2,318,051</u>	
	81,590,000	
Less: Unreimbursed bond amortization	<u>740,000</u>	
		80,850,000

#### Deposits from contractors, concessionaires and others

	1,762,838
	<u>\$151,344,961</u>

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**Liabilities****Current liabilities:**

Accounts payable	\$ 12,459,536
Accrued salaries and wages	6,618,009
Payroll taxes withheld and accrued	10,807,126
Amounts payable to the New York City Retirement System	27,912,716
Liability for prepaid transportation	5,000,098
Estimated liability for employee death benefits	2,000,000
Advance from State of New York	<u>100,000</u>
Total current liabilities	64,897,485

**Other liabilities:**

Estimated amount accrued for payment to the New York City Retirement System - Fiscal Year 1967-68	35,318,887
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**Estimated liabilities:**

Public liability	\$16,900,000
Workmen's compensation	<u>6,562,000</u>
	23,462,000

**Long term debt:**

Serial Bonds due November 1, 1968	2,960,000
Serial Bonds due November 1, 1969 and successive years	<u>77,890,000</u>
	80,850,000

**Liability for deposits from contractors, concessionaires and others**

1,762,838

**Surplus:****From operations:**

Deficit balance June 30, 1967	( 71,858,964)
Loss for year	\$(50,985,065)
Extraordinary income (A)	<u>6,925,117</u>
Net Loss	( 44,059,948)
Accumulated operating deficit June 30, 1968	(115,918,912)

**Contributed surplus:**

By City of New York	
(Materials and Supplies)	16,222,663
By Mabstoa (Surplus Grants)	<u>44,750,000</u>
	60,972,663

(\$54,946,249)

\$151,344,961

(A) Reduction of Pension System contributions for Fiscal Years 1966 \$2,524,189 and 1967 \$1,503,375.

Payment by City of New York of claim of \$2,897,553 for transportation of Police, Firemen, etc., for 12 months ended December 31, 1967.



# NEW YORK CITY TRANSIT AUTHORITY

## Disposition of Bond Proceeds at June 30, 1968

	1962 SERIES A BONDS	1963 SERIES A BONDS	TOTAL
Bond Proceeds Account:			
Cash and Securities on deposit . . . . .	\$ 489,119	\$ 888,167	\$ 1,377,286
Debt Service Reserve Fund:			
Cash and Securities on deposit as guarantee of payment of principal and interest on the bonds . . . . .	3,147,925	2,409,873	5,557,798
Unexpended Proceeds from long term debt . . . . .	3,637,044	3,298,040	6,935,084
Miscellaneous bond expenses . . . . .	56,857	36,564	93,421
Rapid Transit Passenger Cars:			
Proceeds expended for cars received (See Note) . . . . .	47,206,099	34,965,396	82,171,495
Total Bond Issue . . . . .	\$50,900,000	\$38,300,000	\$89,200,000
Less Bonds Retired . . . . .	4,855,000	3,495,000	8,350,000
Bonds Outstanding at June 30, 1968 . . . . .	<u>\$46,045,000</u>	<u>\$34,805,000</u>	<u>\$80,850,000</u>

## Status of Bond Funds at June 30, 1968

ISSUED	TOTAL PROCEEDS	1962 SERIES A BOND PROCEEDS ACCOUNT	1963 SERIES A BOND PROCEEDS ACCOUNT	DEBT SERVICE RESERVE FUND
November 1962 . . . . .	\$50,900,000	\$47,752,075	—	\$ 3,147,925
August 1963 . . . . .	38,300,000	—	\$35,890,127	2,409,873
	<u>\$89,200,000</u>	<u>\$47,752,075</u>	<u>\$35,890,127</u>	<u>\$ 5,557,798</u>
<i>Cost of Cars Purchased</i> <i>(See Note)</i>				
To June 30, 1967 . . . . .	81,255,790	46,710,602	34,545,188	—
	7,944,210	1,041,473	1,344,939	5,557,798
Fiscal year 1967-68 . . . . .	915,705	495,497	420,208	—
	7,028,505	545,976	924,731	5,557,798
Misc. bond expenses . . . . .	93,421	56,857	36,564	—
Unexpended . . . . .	<u>\$ 6,935,084</u>	<u>\$ 489,119</u>	<u>\$ 888,167</u>	<u>\$ 5,557,798</u>

Note: Pursuant to Agreements with the City of New York, title to 108 cars costing \$11,901,384 was transferred to the City.